



Senate

General Assembly

January Session, 2005

File No. 242

Senate Bill No. 1186

Senate, April 11, 2005

The Committee on Commerce reported through SEN. LEBEAU of the 3rd Dist., Chairperson of the Committee on the part of the Senate, that the bill ought to pass.

AN ACT CONCERNING ENTERPRISE CORRIDOR ZONES.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 32-80 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective from passage*):

3 (a) As used in this section:

4 (1) "Commissioner" means the Commissioner of Economic and
5 Community Development.

6 (2) "Public investment communities" shall have the same meaning
7 as "public investment communities", as defined in section 7-545.

8 (b) The legislative bodies of three or more contiguous
9 municipalities, each of which is a public investment community and
10 has a population of not more than sixty thousand, and at least fifty per
11 cent of which municipalities are located along the same interstate
12 highway, limited access state highway or intersecting interstate or
13 limited access state highways, may, with the approval of the

14 commissioner, designate industrial districts in such municipalities as
15 an enterprise corridor zone.

16 (c) Municipalities seeking the approval of the commissioner for such
17 designation shall execute an intermunicipal agreement specifying how
18 they would cooperatively share in the marketing, promotion and
19 development of the industrial districts that would comprise the
20 enterprise corridor zones, and shall file with the commissioner a
21 preliminary application which includes such executed agreement. Not
22 later than sixty days after receipt of such preliminary application, the
23 commissioner shall indicate to the municipalities, in writing, any
24 recommendations for improving the municipalities' application. Not
25 later than sixty days after receipt of the commissioner's written
26 response, the municipalities shall file a final application with the
27 commissioner.

28 (d) The commissioner shall approve the designation of at least two
29 areas as enterprise corridor zones. The commissioner may remove the
30 designation of any area he has approved as an enterprise corridor zone
31 if such area no longer meets the criteria for such designation, provided
32 no such designation shall be removed less than ten years [from the
33 date of approval of such zone] after the date that such area no longer
34 meets such criteria.

35 (e) Businesses located within an enterprise corridor zone shall be
36 entitled to the same benefits, subject to the same conditions, under the
37 general statutes for which businesses located in an enterprise zone
38 qualify.

39 (f) The commissioner may adopt regulations, in accordance with the
40 provisions of chapter 54, to carry out the purposes of this section.

This act shall take effect as follows and shall amend the following sections:		
Section 1	from passage	32-80

CE *Joint Favorable*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either House thereof for any purpose:

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect
Department of Economic & Community Development	See Below

Municipal Impact:

Municipalities	Effect
Various Municipalities	See Below

Explanation

Allowing the Commissioner of the Department of Economic and Community Development (DECD) to extend enterprise corridor zone designations could extend benefits for additional years. The potential extension could result in a cost to the state and a revenue loss to the state and eligible municipalities (Ansonia, Beacon Falls, Derby, Naugatuck, Seymour, Griswold, Killingly, Lisbon, Plainfield, Putnam, Sprague, Sterling and Thompson), to the degree that the extension provides financial incentives for business activity, which would have occurred without incentives, but the amount cannot be determined. Financial incentives available to businesses in a zone include a loan program, a corporation business tax credit, an 80% property tax abatement (a 50% PILOT to the town), a sales tax exemption for manufacturing equipment replacement parts, the Jobs Grant Incentive Program, and a real estate conveyance tax exemption.

OLR Bill Analysis

SB 1186

AN ACT CONCERNING ENTERPRISE CORRIDOR ZONES**SUMMARY:**

This bill changes the point in time when the economic and community development commissioner may remove the enterprise corridor zone designation from a group of towns. Towns apply for the designation, and the commissioner may grant it if they meet statutory criteria. The designation makes manufacturers and specified service businesses eligible for tax incentives if they build or improve facilities in areas zoned for industrial uses.

Current law allows the commissioner to remove the designation 10 years after he approved it if any of the participating towns no longer meet the designation criteria. The bill instead allows him to remove the designation 10 years after the date any of the towns no longer meets the criteria.

EFFECTIVE DATE: Upon passage

BACKGROUND***Enterprise Zone Designation Criteria***

The criteria for designating an enterprise corridor zone are:

1. At least three contiguous towns, each of which
 - a. is a state-designated public investment communities and
 - b. has fewer than 60,001 people and
2. At least half of the towns are located along the same highway.

The commissioner designated the two current enterprise corridor zones in 1995. They are:

1. the Route 8 zone, consisting of Ansonia, Beacon Falls, Derby,

Naugatuck, and Seymour and

2. the Interstate 395 zone, consisting of Griswold, Killingly, Lisbon, Plainfield, Putnam, Sprague, Sterling, and Thompson.

COMMITTEE ACTION

Commerce Committee

Joint Favorable Report

Yea 25 Nay 0